

November xx, 2008

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Washington, D.C. xxxxx

Dear xxxxxx,

I am writing to express my very strong conviction that a bailout of America's Big Three auto makers would be to the detriment of the entire automobile industry. The path to restructuring operations of General Motors, Ford and Chrysler is through a managed bankruptcy process, not a blank check from taxpayers.

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This moment has loomed before the Big Three for years, as the problems of American automakers were not caused by the financial crisis sparked by risky subprime mortgages. The fact is, American auto makers are weighted down by high wages, onerous health and pension plans, and skyrocketing costs. For whatever reasons, management allowed these corporations to roll along without efficient cost-cutting plans or investment in research to create competitive products with superior technology.

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A bailout is not fair to efficiently-run competitors, who keep costs under control, produce excellent vehicles and provide thousands of Americans with good-paying jobs and benefits. More importantly, a bailout is not fair to taxpayers, who are already overburdened and overwhelmed during this economic crisis. Taxpayers should not be asked to give billions of dollars to an industry that has ignored structural problems and tolerated the accompanying financial losses without constructive action to correct either.

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We have, under American law, a procedure for what should happen. Bankruptcy seems to be the best option to jolt these companies back into efficient business operations. We recently watched major airlines, such as Delta, move through the bankruptcy process and get their houses in order. They have come back as leaner operations and continue to serve thousands of customers daily. There is no reason that automobile manufacturers cannot do that or something similar. I have no objections to a prepackaged bankruptcy, but we

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| ~~must~~ not bail out this industry until it is ~~known with legally-binding certainty~~ that it will get its costs in order.

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If Congress chooses to simply hand cash over to the Big Three, where do we stop? Home builders, who are suffering from the mortgage meltdown, surely will be next in line. Healthy banks and insurance companies already are asking for a taste of the \$750 billion Troubled Assets Relief Program passed this fall. The free market will correct itself over time, and the companies that survive without government intervention will be better for it.

I appreciate your consideration of these points as you debate this matter. A managed bankruptcy will ensure these great American companies survive this rough time and emerge as stronger competitors in a real global economy.

Sincerely,

Haley Barbour